

Evercare is a subsidiary of UnitedHealth Group that specializes in serving Medicare/Medicaid dual eligibles and individuals with long-term care needs. We serve over 50,000 enrollees in integrated Medicaid long-term care programs in Arizona, Florida, Massachusetts, Minnesota, Texas and Washington. In addition, we currently manage the chronic care and functional needs of more than 29,000 Medicare beneficiaries living in nursing homes, and 18,000 Medicare beneficiaries in the community through Dual Eligible Special Needs Plans.

Advantages of Integrating Acute and Long Term Care (ALTC)

The current Medicaid system is fragmented, confusing and challenging for consumers to navigate. Dual eligibles and individuals requiring nursing facility level of care have intense and complex needs. These consumers must access Medicaid for nursing home care or home and community based waiver services (HCBS) and Medicare for inpatient and physician services. Further increasing the complexity of the system, dual eligibles now receive their prescription drugs from a Medicare plans with the advent of Part D. The fragmentation of Medicaid and Medicare create incentives for cost-shifting between programs and discourages effective coordination of services for the consumer.

Integrated acute and long-term care programs have the potential to improve the long-term care system for consumers and families, providers and for the Commonwealth.

1. Advantages for Consumers

Consumer-Centered Care Coordination: Integrated ALTC programs provide comprehensive care coordination to all individuals who require LTC services or have multiple chronic illnesses. Care coordinators work with consumers, families, the primary care physician and other providers involved in the individual's care to develop an individualized care plan that addresses the consumer's full range of medical, functional, social and environmental needs.

Enhanced Access to Home and Community-Based LTC Services: Through the care plan development process, the consumer can access the full range of LTC services from personal care to nursing facility care that is appropriate to meet their functional needs. With an Integrated LTC Program, access to HCBS is no longer artificially limited to individuals who are in a 1915(c) waiver "slot". Consumers who can be appropriately served in a community setting can choose those services. The Texas STAR+PLUS program generated a 31% increase in the use of personal care, and a 38% increase in use of adult day care¹, when all consumers who could benefit from HCBS were able to receive it through the program.

Flexibility and Consumer-Direction: Because the consumer's needs and preferences for their care drive the individualized care planning process, integrated ALTC programs have the flexibility to provide very different services for individuals with diverse needs. ALTC programs do not rely on a "medical" or "social" model of care coordination, but a holistic approach that will emphasize medical management for a nursing home resident with multiple chronic illnesses and consumer-directed personal care and social support services for consumers with disabilities.

Improved Clinical Outcomes: Through individualized care coordination, integrated ALTC programs have improved clinical outcomes for dual eligibles and individuals who require LTC services. Examples of clinical improvements achieved by other State ALTC programs include:

- Texas STAR+PLUS achieved a 22% reduction in unnecessary hospitalizations and 38% reduction in ER visits²
- Florida Nursing Home Diversion clients had 12% probability of entering a nursing home compared to 26% of clients in the FFS HCBS waiver program and;
- Florida Nursing Home Diversion clients' nursing home stays were shorter, averaging 43 days, than the baseline group which stayed in nursing homes an average of 132 days³.

High Customer Satisfaction: – for members and for their family members

- In Arizona, 93% of consumers and families surveyed were satisfied with their care coordinator. 90% of those surveyed felt they were involved in decision-making regarding their care⁴.
- In Minnesota, 94% of those surveyed would recommend their care coordinator to others, 96% would recommend their health plan to others⁵.

2. Advantages for LTC Providers

Partnership with Providers through Care Coordination: Care coordinators in ALTC programs work closely with providers to support delivery of care. Additional clinical support from care coordinators supplements efforts of LTC providers and physicians. For community-based consumers with multiple chronic conditions, care coordinators attend physician appointments with the enrollee so that the PCP can address the full range of needs in the enrollee's care plan. Evercare has been serving nursing facility residents since 1989, using specialized nurse practitioners working closely with physicians and nursing home staff focused on preventing unnecessary hospitalizations and providing more care on-site.

Support Improving Quality of LTC Services: Care coordinators also provide LTC providers with additional support in meeting quality standards. For personal care providers, care coordinators will arrange for appropriate training, and monitor to assure the service is delivered in a timely and appropriate way. In the nursing facility setting, a nurse care coordinator provides on-site primary care, increases communication with the PCP and family, supplementing facility staffing.

3. Advantages for the Commonwealth

Gradual "Rebalancing" of the Medicaid LTC System: Integrated ALTC programs slow the rate of growth in Medicaid LTC spending by more effectively supporting individuals in community-based settings and delaying need for nursing facility care. States that have implemented ALTC programs have gradually increased the percentage of the total LTC population served in community settings, reducing growth in Medicaid LTC spending.

Integrated Financing with Medicare Advantage: Integrated ALTC programs allow health plans to use a single care coordinator to support dual eligible consumers in accessing all Medicare and Medicaid services. In addition to improving support consumers receive, Medicare/Medicaid integration allows the State opportunities to optimize its investment in Medicaid services for dual eligibles.

Capitated Model: Capitated financing provides incentives to manage chronic illness and invest in good health outcomes.

Policy Options for Integrated Acute and Long-Term Care in Virginia

At September 26th ALTC Meeting, DMAS outlined three major policy decisions regarding the design of an ALTC program for Virginia: 1) Populations Covered; 2) Benefits Covered; and 3) Enrollment options. Evercare has had extensive expertise operating ALTC programs in six states. Below is our perspective on what is most effective in our experience on these three policy decisions.

■ **Populations Eligible for the ALTC Program**

We recommend that the ALTC Program include the following groups:

1. Dual Eligibles
2. Seniors and individuals with physical disabilities who require nursing facility level of care
3. Medicaid-only ABD population not already enrolled in managed care

These three groups include nursing facility residents and HCBS waivers serving seniors, groups that will benefit greatly from comprehensive care coordination. These groups also include “well” duals and ABD consumers with chronic illnesses so that the ALTC program can facilitate early access to HCBS supports to prevent need for hospitalizations and nursing home care.

We would suggest that DMAS may want to consider excluding the MR/DD population and children with special needs ages 0-21. Both these groups require a wide range of very specialized services and have very different clinical and social needs than the rest of the ABD population. Although individuals with DD would benefit from enhanced care coordination and integration of services, no state has included the DD population in an integrated LTC program due to the clinical and political challenges in serving this group. Arizona has been most progressive with their DD delivery system; individuals with DD in Arizona are served by health plans that provide care coordination and are at risk for acute care services only. All DD long-term care services (institutional and community-based) are provided on a fee-for-service basis. Both the DD and special needs children may be opportunities for expansion of the ALTC program in the future after initial implementation for the recommended groups above.

Another key policy issue is including the serious and persistently mentally ill population. States have varied in their approach to serving the SPMI population through ALTC programs. If DMAS considers a carve-out on mental health, we would recommend a carve-out for the SPMI *population* rather than a carve-out of mental health *services* from the entire ALTC program. Seniors in LTC settings very frequently have unmet mental health and cognitive needs and it is critical to ensure that coordination of mental health for the LTC population is preserved within the ALTC model.

■ **Benefits Covered by the ALTC Program**

Consumers who are dually eligible or who require LTC services access a broad package of benefits that include Medicaid acute services, nursing home care and home and full range of HCBS including but personal care, alternative residential settings (e.g. assisted living facilities, adult residential care homes). Our experience is that programs with very comprehensive benefit packages including all the services above is the most effective design for an ALTC program. Including all benefits allows empowers the consumer working with their care coordinator the greatest potential to coordinate all services to achieve the consumer’s goals. Carving out key benefits not only creates gaps in

coordination and communication, but creates incentives to “cost shift” to the benefit that is carved out of the program.

■ **Enrollment Options**

Evercare operates ALTC programs in States with mandatory and voluntary enrollment models. Although the voluntary programs we participate in bring great benefit to enrollees, States with mandatory programs have made greater progress rebalancing their LTC systems and have achieved greater improvements in clinical outcomes and consumer satisfaction. Mandatory enrollment also allows for a more streamlined, non-fragmented system that provides the following benefits:

- Provides the opportunity for prevention, education, and early intervention to improve outcomes and maintain wellness;
- Provides administrative efficiencies and cost savings at the state and local level which leaves more money for direct client services
- Provides enhanced continuity of care due to ability to manage care over time in a single system, rather than creating the potential for intermittent eligibility due to changes in functional status; and
- Reduces costs of “marketing” the ALTC program required in a voluntary model, resources which can be instead directed to benefits for enrollees.

Evercare Comment
Acute and Long-Term Care Integration
October 18, 2006

Sources:

¹ Sema K. Aydede, PhD, "The Impact of Care Coordination on the Provision of Health Care Services to Disabled and Chronically Ill Medicaid Patients", Institute for Child Health Policy, September 2003.

² Ibid.

³ Florida Office of Program and Policy Analysis & Government Accountability, "The Nursing Home Diversion Program Has Successfully Delayed Nursing Home Entry", May 2006

⁴ "Long-Term Care 2002: Now and the Next Generation". Arizona Health Care Cost Containment System (AHCCCS) and Health Services Advisory Group, 2002.

⁵ "2002 Consumer Assessment of Health Care: MSHO Nursing Home Population". Minnesota Health Data Institute, August 2002